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MEDICAL CARE FOR DEPENDENTS OF MEMBERS OF THE UNIFORMED SERVICES

FEBRUARY 22, 1956.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. KILDAY, from the Committee on Armed Services, submitted the following

REPORT

[To accompany H. R. 9429]

The Committee on Armed Services, to whom was referred the bill (H. R. 9429) to provide medical care for dependents of members of the uniformed services, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

On page 2, line 23, strike out the word "unlawful" and insert in lieu thereof the word "lawful".

The purpose of the proposed legislation is to provide a uniform and improved program of medical care for the dependents of members of the uniformed services.

Historically, dependents of members of the uniformed services have been provided medical care through the use of medical facilities under the jurisdiction of the uniformed services. The Army, for example, has had statutory authority to provide medical care for dependents of Army personnel since 1884, although the Army Medical Department provided dependents with medical care from its inception in 1818.

The Navy has been providing medical care for their dependents for over 100 years, but it was not until the enactment of Public Law 51 of the 78th Congress that the Navy obtained positive legislative authority to provide limited medical dependent care.

The Marine Corps obtains its medical care from the Navy, and the Air Force has operated under the Army statute since the enactment of the National Security Act of 1947.

However, the present dependent-care system does not cover all types of illnesses, nor all dependents. For example, under the Navy

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law, unlike the Army and Air Force, dependents with contagious diseases are not authorized hospitalization in naval facilities. The Army and Air Force have no exclusions with regard to categories of dependents eligible for care, whereas the dependent parents-in-law members of the Navy and Marine Corps are not entitled to medical care in service facilities.

But over and above this is the fact that an estimated 40 percent of the dependents of members of the uniformed services do not now have medical care available to them in service facilities. This is due to a combination of factors, such as overcrowded facilities under the jurisdiction of the uniformed services, residence in an area where no medical facilities under the jurisdiction of the uniformed services are located, and an overall shortage of physicians serving on active duty in the uniformed services.

The President in his state of the Union message reemphasized the importance of the proposed legislation by stating as follows:

> This year, I renew my request of last year for legislation to provide medical care for military dependents and a more equitable survivors' benefit program.

All of the testimony before the committee on the proposed legislation revealed that inadequate dependent medical care is one of the most serious morale problems facing our Armed Forces. The Secretary of Defense in commenting on the proposed legislation stated as follows:

> As you know, our Military Establishment now consists of approximately 2.8 million individuals. There are somewhat less than 3 million dependents, scattered throughout the world in some cases, and located in various "hometowns" in the United States in others. There is considerable inequity in the amount of medical care provided for these families. It has been established that some military medical care is provided for only about 60 percent of them. I believe that soldiers, sailors, marines, and airmen cannot be expected to do their best jobs in training or in combat if they are worried about the health of their dependents.
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> 1. The legislation before you provides certain additional health and safeguards for dependents of military personnel. It does not take away any medical care which they now have.
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> 2. The bill provides that where military medical facilities are not available, dependents of military personnel will be authorized, with certain safeguards to prevent abuse, to secure medical care from civilian medical sources.
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> 3. Finally, it will establish by law, in a uniform manner, many of the practices now being followed by the military departments of furnishing medical care for dependents.
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> I consider that the establishment, by public law, of the policy of providing medical care for the dependents of members of the Armed Forces as contemplated in this proposed legislation will greatly improve the attractiveness of military service. We know also that this legislation will be a great factor in improving the morale of all members of the Armed Forces. It should also do much to raise our reenlistment rates and to reduce the expensive turnover of trained personnel which is now occurring. The maintenance of a hard core of voluntary military personnel is vital to the continued efficient and economical operation of the Department of Defense.

The Assistant Secretary of Defense for Manpower and Reserves stated as follows:

> Before World War II, military benefits were generally broader and more advantageous than those offered by industry. The historical purpose of these traditional benefits was to give recognition to the inherent sacrifices of military life and to attract and hold qualified personnel in the armed services. These benefits have been continued and improved over the years by the Congress and are recognized as a part of military compensation.
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> We cannot escape the fact, however, that these once favorable advantages of the military career have been neutralized to a great extent in recent years by the sharp expansion of nonwage benefits over and above already increased wage levels in industry.

Economists estimate that these supplemental benefits have tripled in industry in the last 10 years and now cost employers 20 percent of their payrolls.

Of particular significance is the remarkable expansion of health and insurance benefits. A Department of Labor bulletin, published in October 1955, shows that almost four times as many workers were covered by some type of health benefits in 1954 as were covered in 1948.

But of even greater interest is the fact that more than 70 percent of the covered workers are also offered health insurance for their dependents. And for 38 percent of them the employer assumes the full cost for dependent coverage.

This is one of the obstacles we must overcome to attract more young men into voluntary career service.

One of the most disturbing influences on the family man in our Armed Forces is the frequent inability to secure proper medical treatment for his wife and children when they need it. This is particularly true when the serviceman is overseas or otherwise separated from his family. Surveys reveal that the decisions of many men to leave the service and return to civil life are influenced by the nonavailability of medical care for their families.

We cannot draw direct comparisons between the military and civilian ways of life. Men in uniform are required to move when ordered, with or without their families, to places of duty throughout the world, many of them isolated and physically detrimental.

More than one-third of our military personnel are overseas or serving on ships at sea. Others with their families are located in remote sections of this country, without access to military medical facilities. And where they are concentrated in areas of large military population, the medical facilities are greatly overtaxed and unable to give adequate care to dependents.

The total effect of this deficiency on the morale of our troops is not easy to measure. But with a requirement for the largest active-duty forces in our peacetime history we must do everything possible to retain the maximum number of volunteers.

I am convinced that devoted service to our country is still the paramount motivation of the officers and men who choose military service as a life career. And I know the military services cannot match the stability and unlimited opportunities offered by many segments of civilian industry. But we can encourage more men to enter and remain in a military career if we remove existing inequities and offer them more of the benefits that have become standard in our way of life.

Last year the Congress enacted the Career Incentive Act which provided selective pay increases for members of the uniformed services.

The enactment of the Career Incentive Act had a marked effect upon the reenlistment rate. For example, among Army personnel, first-term reenlistments have increased from 27.8 percent in the first quarter of fiscal 1955 to an estimated 40 percent in the first quarter of fiscal 1956. Navy reenlistments from among first-term reenlistees increased from a first-quarter fiscal 1955 rate of 5.9 percent to an estimated 11.1 percent in the first quarter of fiscal 1956. Air Force reenlistments from among first-term reenlistees increased from a first-quarter fiscal 1955 rate of 9.8 percent to an estimated 32.4 percent for the first quarter of fiscal 1956. Marine Corps first-term reenlistments increased for the same period from 15.3 percent to 17.9 percent. Overall Department of Defense figures indicate an increase from the first quarter of fiscal 1955 for first-term reenlistees from 11.3 percent to 25.2 percent.

This bears out the contention made by the Armed Services Committee that enactment of the Career Incentive Act would contribute substantially to an increased reenlistment rate.

It is the opinion of the Committee on Armed Services that enactment of the proposed legislation will likewise bring about an even better reenlistment rate, with its resultant saving in training costs. No estimate can be made with regard to the high value of the substantial increase in combat efficiency in each of the services when reenlistments are increased.

General Objectives of the Proposed Legislation

In order to bring about an improved program of dependent medical care and to define by statute the legal entitlement to medical care on a uniform basis, the proposed legislation sets forth the dependents who will be entitled to such care, the type of care to which they will be entitled and, insofar as practicable, the method by which they will receive medical care.

Under the proposed legislation wives and children, dependent parents and parents-in-law, retired personnel and their dependents, and the wives and children of deceased personnel whose death occurred while serving on active duty, will be entitled to medical care in facilities under the jurisdiction of the uniformed services subject to the availability of space and facilities and the capabilities of the medical staff. This is, for practical purposes, the same group of dependents who are now entitled to medical care in service facilities.

But, for the first time in the history of the uniformed services, dependents will be provided with a statutory entitlement to medical care on a uniform basis throughout all of the uniformed services. There will be no disparity among the types of care provided nor will there be any disparity among the dependents included. In short, enactment of the proposed legislation will provide by statute a uniform program of medical care which will carry out the obligation of the Federal Government to provide care for such dependents.

The proposed legislation does not contemplate any new expansion of medical facilities for the uniformed services; nor, on the other hand, does it contemplate any reduction in the medical facilities of the uniformed services that are now in existence or now planned. What the proposed legislation does recognize is the fact that an estimated 40 percent of the dependents of our active-duty personnel do not now receive medical care from facilities under the jurisdiction of the uniformed services. This has created a serious morale problem and undoubtedly contributes greatly to the decision on the part of many individuals not to make the service a career. As previously stated, the proposed legislation recognizes the fact that medical care in service facilities today is based upon the chance of assignment, so that individuals who are fortunate enough to be in an area where there is a military medical facility receive some medical care at Government expense, while others in areas where there are no military medical facilities are not able to receive medical care at Government expense.

As previously indicated, such medical care has traditionally been furnished to dependents. Prior to World War II this care was provided throughout the uniformed services on a fairly complete basis. Since World War II and the establishment of a large peacetime standing force, this care has not been provided, even though it is still held out as an inducement to young men and women for making the service a career.

The situation is further complicated because of the large number of American service personnel who are stationed overseas whose dependents cannot be with them and because of the overcrowded conditions which exist in many of the medical facilities under the jurisdiction of the uniformed services.

The problem of furnishing adequate medical care was studied by an independent citizens advisory commission appointed by the Secretary

of Defense in April of 1953 under the direction of Dr. Harold G. Moulton, president emeritus of the Brookings Institute. No members of the Commission were connected with the Department of Defense or the Armed Forces, nor were they members of medical, dental, or allied professions. After careful investigation and consideration of all aspects of the problem, the Moulton Commission made recommendations for the establishment of a long-range uniform program of dependent medical care. Many of these recommendations are contained in the proposed legislation.

Explanation of the Bill

TITLE I

In order to provide adequate medical care for the dependents of members of the uniformed services the proposed legislation authorizes medical care in medical facilities under the jurisdiction of the uniformed services, describes the dependents who will be entitled to this care, describes the type of medical and dental care that will be provided, and sets forth the type of medical and dental care that will not be provided.

At the outset it should be noted that for practical purposes the proposed legislation will not eliminate any major type of medical care that is now provided.

At present, reservists and their dependents retired under title III of Public Law 810 are not entitled to medical care for themselves and their dependents if they draw retired pay from the Army or Air Force. On the other hand, Navy and Marine Corps reservists who draw retired pay under title III of Public Law 810, as well as their dependents, are entitled, under existing regulations, to medical care in naval facilities. As of June 30, 1955, there were approximately 1,081 retired military personnel from the Navy and 61 retired personnel from the Marine Corps drawing retirement pay under title III of Public Law 810. Under the proposed legislation these individuals will no longer be entitled to medical care in service facilities for themselves or their dependents. On the other hand, the proposed legislation will maintain the present situation with regard to approximately 7,400 Air Force and Army personnel who are now retired under title III of Public Law 810 and who are not now entitled to medical care for themselves or their dependents in medical facilities of the uniformed services.

Likewise, certain types of chronic diseases are not now treated in naval facilities but are treated in Army and Air Force installations. Under the proposed legislation chronic diseases may not be treated in facilities under the jurisdiction of the uniformed services unless specific exceptions are made by the Secretary of Defense under regulations to be prescribed by him.

In addition, today some limited types of dental care are now provided to the dependents of Army and Air Force personnel, whereas no dental care is furnished to the dependents of naval personnel.

Under the proposed legislation dependents will not be authorized dental care except under emergency conditions or in remote areas of the United States or where such dental care is necessary in connection with inpatient treatment in a hospital. However, dental care

may be provided outside the continental limits of the United States, as is being done today.

With these exceptions, however, it can be stated that the proposed legislation will not deprive any individual of any benefit to which he is now entitled.

Thus, the proposed legislation will, if successfully implemented, provide an improved program of medical care for the dependents of members of the uniformed services. This care will be provided in facilities under the jurisdiction of the uniformed services, and under an insurance, group health, or medical service plan in civilian facilities.

It should be noted that the proposed legislation is applicable to all members of the uniformed services. This includes the Army, Navy, Air Force, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service. The proposed legislation provides for the joint utilization of the medical facilities of all the uniformed services so that active-duty members of these services, as well as their dependents, may be hospitalized therein or provided medical care without regard to the service affiliation of the member concerned. This means, in short, that a dependent of a member of the Coast Guard, for example, will be able to obtain medical care in a facility under the jurisdiction of the Army if space and facilities are available. And, likewise, a dependent of a member of the Army may be furnished medical care in a medical facility under the jurisdiction of the Public Health Service, subject to the availability of space and facilities.

The proposed legislation provides basic authority for the Secretary of Defense to establish subsistence charges for dependents hospitalized in a facility under the jurisdiction of the uniformed services. This is now being done by regulation.

In addition, the proposed legislation also permits the Secretary of Defense after consultation with the Secretary of Health, Education, and Welfare to establish minimal charges for outpatient care when the Secretary of Defense has made a special finding that such charges are necessary.

This will permit the Secretary of Defense to impose a modest charge of perhaps 50 cents, and certainly not to exceed $1, to prevent abuses of outpatient care provided to dependents in service facilities. It is intended to operate as a restraint upon individuals who now use these facilities indiscriminately, because the service is provided free of charge.

It should be noted that medical care received in service facilities will be limited to diagnosis, treatment of acute medical and surgical conditions, treatment of contagious diseases, immunization, and maternity and infant care.

Except as the Secretary of Defense may by regulation provide, hospitalization will not be authorized dependents for domiciliary care, chronic diseases, nervous and mental disorders (except for diagnostic purposes), and elective medical and surgical treatments as determined by the cognizant physician. In addition, dependents may not receive prosthetic devices, hearing aids, orthopedic footwear, and spectacles, except outside the continental limits of the United States or at remote stations within the United States where adequate civilian facilities are not available. Even then the items may be furnished only at prices which reflect the full cost to the Government. Likewise, ambulance service, except in acute emergency, will not be

authorized dependents being treated in facilities under the jurisdiction of the uniformed services, nor will home calls be authorized except in special cases where it is medically necessary as determined by the cognizant physician.

TITLE II

Title II of the proposed legislation deals with the second method by which medical care may be provided for dependents and retired personnel of the uniformed services.

In this connection, it should be noted that the Committee on Armed Services is aware of the many complex problems that surround any program which seeks to furnish medical care for the dependents of service personnel in civilian facilities. After hearing testimony from the American Medical Association, the American Dental Association, National Medical Veterans Society, American Life Convention, Blue Shield-Blue Cross representatives, Reserve Officers Association, Fleet Reserve Association, Retired Officers Association, the American Legion, the Jewish War Veterans, and others, the committee concluded that an insurance or medical service, or group health plan was feasible and should be initiated as soon as practicable for certain dependents.

The Committee on Armed Services recognizes that this type of program has never been placed in effect under the conditions that exist in the uniformed services. However, hospital and surgical insurance is common throughout industry in the United States. According to a survey of union contracts published in October of 1955 by the Department of Labor of approximately 11 million workers employed under collective-bargaining agreements, some 88 percent of these workers were covered by hospitalization insurance, 83 percent were covered by surgical insurance, 73 percent were covered by accident and sickness insurance, and 47 percent were covered by medical-benefits insurance. Insofar as hospitalization, surgical, and medical benefits are concerned, the Committee on Armed Services has noted with considerable interest that 60 percent of the workers covered by these contracts do not make any monetary contribution toward the benefit, and of even greater significance is the fact that more than 70 percent of the workers covered are also offered coverage for their dependents; half of these employees shared the cost of their dependents' coverage, but in the cases of 38 percent of the employees the employer assumed the entire cost for the dependents.

It is interesting to observe that before World War II military benefits were generally broader and, in some cases, more advantageous than those offered by industry. The purpose of these benefits was to give recognition to the sacrifices which military life entail and to attract and hold qualified personnel in the uniformed services. It is obvious to the Committee on Armed Services, however, that these once favorable advantages of a military career have been almost completely neutralized in recent years by the sharp expansion of nonwage benefits over and above the already increased wage levels in industry. The Committee on Armed Services is advised that these supplemental benefits to industry have tripled in the last 10 years and now cost the employers 20 percent of their payroll.

There has been a remarkable expansion of health and insurance benefits. In this connection, a Department of Labor bulletin published in October of 1955 makes the following significant observations:

At least 11,290,000 workers were covered by some type of health and insurance or pension plan under collective-bargaining agreements in early 1954. The number of workers covered by these programs has increased more than twentyfold since 1945, when about 0.5 million workers were provided with one or more benefits under such plans. * * * One of the major developments in health and insurance programs in recent years has been the increase in the practice of extending benefits to employees' dependents.

It is difficult for the uniformed services to attract and hold capable young men to make a career of the services when the benefits offered in industry, without regard to the present high wages in industry, are equal, and in many cases, far exceed the benefits that can be presently expected if an individual decides to make the service a career.

Faced with these facts and figures, the Committee on Armed Services determined that any type of insurance, group-health, or medical-service plan adopted should properly be on a noncontributory basis insofar as the serviceman is concerned. The full cost of the plan, except for a deductible provision, should be borne by the employer, in this case the Federal Government.

The Department of Defense originally recommended a voluntary insurance program under which the individual member would pay 30 percent of the cost. Bearing in mind the statistics from our experience in World War II, when it was ascertained that the cost of administering a voluntary contributory insurance program exceeded all of the costs of the insurance claims paid for deaths in World War II, the Committee on Armed Services determined that rather than require administrative effort, which would result in unnecessary expenses, they would reflect these savings in increased benefits for the dependents of service personnel.

Thus, the Committee on Armed Services, in the proposed legislation, provides for authority to enter into an insurance, or medical service, or group health program which will involve no premium cost to the service member.

The Committee on Armed Services was also faced with the problem of determining the type of program that should be developed to take care of dependents of service personnel.

The original bill submitted by the Department of Defense provided for insurance coverage for care furnished in civilian facilities limited to the dependents of active-duty personnel, with a voluntary 30 percent contribution by the service member for his wife and children, a 100 percent premium charge to the member for dependent parents and parents-in-law, and a 100 percent premium charge to the serviceman for coverage that would provide for catastrophic coverage not otherwise provided in the general insurance contract. No provision was made for retired personnel, their dependents, or the wives and children of deceased personnel who died on active duty.

The Committee on Armed Services recognizes the fact that retired personnel of the armed services have traditionally been considered a part of the uniformed services. To exclude them from consideration for coverage in civilian facilities might well reduce the increased reenlistment rate and improved morale which the proposed legislation seeks to bring about. Traditionally, retired personnel have been furnished medical care in service facilities on a space-and-facilities-available basis. When increased benefits have been provided in pay increases, retired personnel have been included. For that reason

the Committee on Armed Services determined that it would be in the best interests of the Federal Government and the uniformed services to provide a method by which the Secretary of Defense is authorized, at his discretion, to negotiate a type of coverage which will be applicable to retired personnel and their dependents.

This same type of reasoning is applicable to dependent parents and parents-in-law, and the widows and children of deceased personnel who die on active duty.

However, the Committee on Armed Services realizes that its first obligation is to provide an improved medical-care program for the wives and children of all active duty personnel.

Thus, the proposed legislation authorizes and directs the Secretary of Defense to enter into an insurance, medical-service, or group-health plan that will provide medical care for wives and children of active-duty personnel. It also authorizes the Secretary of Defense, at his discretion, to enter into the same or a different type of insurance, medical-service, or group-health plan, for retired personnel, the dependents of retired personnel, dependent parents, and parents-in-law, and the wives and children of personnel who die on active duty.

The Secretary of Defense may contract for more limited coverage insofar as benefits are concerned, for retired personnel, their dependents, dependent parents and parents-in-law, and wives and children of personnel who die on active duty, and he may also limit the coverage of these groups.

However, the type of insurance, medical service, or health plan that the Secretary of Defense is directed to contract for insofar as wives and children of active-duty personnel are concerned must provide for a certain minimum type of care.

Thus any plan contracted for or agreed upon must provide hospitalization in semiprivate accommodations up to 365 days for each admission; it must include necessary services and supplies furnished by the hospital during inpatient confinement; it must provide medical and surgical care incident to a period of hospitalization; it must provide complete obstetrical and maternity care, including prenatal and postnatal care; it must provide for the required services of a physician or surgeon prior to and following hospitalization for a bodily injury or for a surgical operation; and it must provide for diagnostic tests and procedures, including laboratory and X-ray examinations, accomplished or recommended by a physician incident to hospitalization.

In addition, the plan must provide for payment by the patient of the first $25 of hospital expenses for each admission.

Since the proposed legislation merely establishes a general outline of the minimum requirements and many of these requirements will have to be defined and limited, the proposed legislation also provides that the minimum requirements will be subject to reasonable limitations, additions, exclusions, definitions, and related provisions as may be provided in such insurance, medical service, or health plan or plans as may be approved by the Secretary of Defense.

It should be noted that the minimum requirements do not preclude additional benefits being provided if in the course of developing such program, the addition of benefits is both administratively and economically feasible.

In other words, it is possible that during the negotiations for a contract of medical care through civilian facilities, additional benefits

will be provided by the group or organization sponsoring the plan or program. The proposed legislation does not exclude, for example, outpatient care, but it does not require the Secretary to enter into a contract which must provide outpatient care.

In brief, therefore, the Secretary will be required to enter into an insurance, medical service, or health plan which will provide certain minimum benefits for wives and children of active-duty personnel. The Secretary of Defense will also be authorized, depending upon the availability of funds and the type of program that can be implemented, to provide medical care in civilian facilities for retired personnel, the dependents of retired personnel, dependent parents and parents-in-law, and the wives and children of personnel who die on active duty. This group or any portion of them may receive the same or a more limited type of coverage.

Wives and children of active-duty personnel, under the proposed legislation, will be allowed to elect whether they desire to receive medical care in a facility under the jurisdiction of the uniformed services or in civilian facilities under the coverage provided, except that this right may be restricted by the Secretary of Defense where such dependents are residing in an area where the member concerned is assigned to a post or installation where facilities are available to provide adequate care for such dependents. It should be noted, therefore, that the right to elect is vested in the dependents subject to limitations that may hereafter be imposed by the Secretary of Defense in certain areas.

The Committee on Armed Services recognizes the fact that in certain areas some medical facilities under the jurisdiction of the uniformed services are providing a substantial amount of medical care for dependents. A complete freedom of election might well result in an uneconomical use of that facility in the event dependents chose civilian facilities rather than the military facilities.

Likewise it must be borne in mind that the cost estimates are based on the assumption that 40 percent of the dependents do not now have medical care available to them in service facilities. There is no information available to determine whether unrestricted choice would raise this percentage.

It is the opinion of the Committee on Armed Services that authority to restrict unlimited free choice is advisable at this time, at least until an experience level has been obtained.

In addition, the limitation authority recognizes the basic problem that confronts the uniformed services of retaining career medical personnel. This extremely serious situation could deteriorate even further if dependent medical care were to undergo a substantial reduction at service facilities.

It is obvious that career physicians worthy of their profession need and expect to treat many types of illnesses that are common in a civilian practice. It is doubtful if the career medical groups of the respective services could be maintained with any degree of stability if their practice eventually became restricted to service personnel who are normally the healthiest group in the Nation. And those physicians who did stay in the service with a restricted type of practice might later be transferred to a foreign station where they would be expected to treat dependents. Such physicians might then find themselves in the unfortunate situation of having to treat diseases and

illnesses ranging from pediatrics to geriatrics without having had sufficient experience to maintain the skill of their profession while serving in the continental United States where their practice had been limited to service personnel.

The proposed legislation also authorizes the Secretary of Defense or the Secretary of Health, Education, and Welfare where appropriate, to contract for medical care for dependents located outside the continental limits of the United States.

This section, if implemented, would permit the Secretary of Defense or the Secretary of Health, Education, and Welfare, when medical facilities of the uniformed services are not available, to enter into local contracts outside the continental limits of the United States for medical care where local medical resources are considered acceptable. Under this section it will be possible for dependents located in an area outside the United States where no military facilities under the jurisdiction of the uniformed services are available to receive medical care from local sources at Government expense. At present, dependents located in these areas must either be transported to an area where a service facility is available or must obtain medical care at their own expense.

The remainder of title II deals with a renegotiation provision and the establishment of advisory committees. Since costs and charges will depend upon services rendered and since it is impossible to predict with complete accuracy the amount or type of service that will be furnished, the Committee on Armed Services has inserted a provision which will require a review and an adjustment of costs not later than 120 days after the plan or plans for civilian services has been in effect and each year thereafter.

Likewise, in order to permit the Secretary to obtain the advice and to negotiate with all interested parties, including commercial underwriters, nonprofit organizations, and other groups, the title contains a provision authorizing the Secretary to establish insurance, medical-service, and health-plan advisory committees under the chairmanship of the Secretary of Defense or his designee.

TITLE III

Title III of the proposed legislation authorizes members of the uniformed services on active duty or active duty for training to be furnished medical and dental care in any medical facility of the uniformed services. Obviously, this is being done today, but there has never been any prior statutory authority for members of the Army, Navy, Air Force, and Marine Corps to be hospitalized in Public Health Service hospitals, or for uniformed members of the Coast Guard, Coast and Geodetic Survey, or Public Health Service to be hospitalized in facilities under the jurisdiction of the Army, Navy, or Air Force. This section is not intended to restrict in any way the medical and dental service now furnished to members of the uniformed services.

Title III also provides specific statutory authority for retired members of the uniformed services to be furnished medical and dental care in any medical facility of a uniformed service subject to the availability of space and facilities and to joint regulations of the Secretary of Defense and the Secretary of Health, Education, and

Welfare. A member retired after completing not less than 30 years of active duty will be furnished required medical care upon request in a medical facility of a uniformed service subject only to the availability of space and facilities and the capabilities of the medical staff.

The Committee on Armed Services is aware of existing regulations and Executive orders which often require the transfer of retired personnel to Veterans' Administration facilities in certain types of cases. The committee is of the opinion that a member of the uniformed services who has devoted 30 years or more of his life to the uniformed services is entitled to be hospitalized in a service facility where he will be with his own associates or at least members of his own service. Therefore, the committee feels that the only restrictions on his hospitalization should be his need for medical or dental care, and the availability of space and facilities and capabilities of the medical staff. He should not be subject to regulations or Executive orders that may be in existence today or hereafter issued which require his transfer to other Federal facilities.

Another section of title III permits retired enlisted men of the Army or Air Force when hospitalized in a Federal hospital to receive the same ration allowance now prescribed by law for enlisted men of the Regular Army and Air Force when so hospitalized. At present, retired enlisted men of the Navy and Marine Corps, or members of the Fleet Reserve, or Fleet Marine Corps Reserve, are entitled to this benefit. This section of the proposed legislation will put all retired enlisted members of the armed services on an equal basis.

Thus, hereafter, if a retired enlisted man of the Army is hospitalized in an Army hospital or is directed by the Army or Air Force to report to another hospital under the jurisdiction of the Federal Government, he will be granted the subsistence allowance for Regular Army or Air Force enlisted personnel which will be used to offset the subsistence charge in these facilities.

Another section of title III permits dependents or retired personnel covered under an insurance, medical-service, or health plan to be transferred to a medical facility under the jurisdiction of the uniformed services when the insurance coverage for which he was hospitalized, expires. If transfer to such a facility is not feasible the Secretary of Defense is authorized, under regulations to be prescribed by him, after consultation with the Secretary of Health, Education, and Welfare, to assume the costs of continued hospitalization in a civilian facility.

This section is expected to be applicable to a very limited number of individuals who may require hospitalization beyond the maximum coverage which will be authorized in the insurance, medical-service, or group-health plan or plans approved by the Secretary of Defense.

COSTS

The Committee on Armed Services has been advised that there will be available for fiscal 1957 approximately $76 million to defray the first year's cost of the proposed legislation.

The type of medical care that can be provided and the extent of coverage is dependent upon many unknown factors. Under the proposed legislation the Secretary of Defense is authorized and directed to enter into an insurance, medical-service, or health plan

which will provide coverage for wives and children of active-duty personnel. As indicated earlier, it has been estimated that approximately 40 percent of all dependents do not have medical care available to them today in medical facilities under the jurisdiction of the uniformed services. All cost figures furnished by the American Life Convention and the Blue Cross-Blue Shield program were based upon the estimated 40 percent of dependents who do not now have medical care available to them in service facilities.

Assuming that the 40 percent of the dependents who do not now have medical care available to them in service facilities have available to them civilian facilities under an insurance, medical-service, or group-health plan, it is estimated that there will be approximately 838,000 wives and children of active-duty personnel of the armed services who will actually be covered by the civilian plan that will be entered into by the Secretary of Defense. Thus, in order to arrive at reasonable estimates of cost the witnesses who testified concerning costs based their estimates on the incidence of illness that would occur among approximately 838,000 wives and children in the age groups to be found in the armed services among active-duty personnel.

The Blue Shield-Blue Cross organization estimated that a medical plan which involved hospitalization for each admission of up to 365 days, with the patient paying the first $25 of expenses for each admission, surgical care, including prenatal and postoperative care, medical care related to hospitalization, obstetrical care, and diagnostic care incidental to hospitalization, would involve an annual cost of approximately $53,800,000 for wives and children of active-duty personnel. Their complete cost estimate for all other types of dependents based upon different percentages with regard to utilization of civilian facilities is as follows:

Estimated 1st year annual cost (including administrative expense)

FOR HOSPITAL MEDICAL SURGICAL PROGRAM FOR DEPENDENTS OF SERVICEMEN AND FOR RETIRED SERVICEMEN

[Hospital 365 days, $25 deductible; surgical care including preoperative and postoperative care; medical care related to hospitalization; obstetrical care; diagnostic care incidental to hospitalization]

	Percent of care in civilian hospitals	Number of persons	Home and office surgery	
			Included	Excluded
I. Spouse and children of active servicemen (in United States)	40	2,096,951	$53,800,000	$53,200,000
II. Spouse and children of retired and deceased servicemen	100	498,724	23,100,000	22,700,000
III. Parents of active and retired servicemen	100	112,365	11,800,000	11,600,000
IV. Retired servicemen	100	190,545	17,000,000	16,800,000
Total program		2,898,585	105,700,000	104,300,000

ALTERNATE—ASSUMING 50 PERCENT USE OF CIVILIAN FACILITIES BY OTHER THAN ACTIVE SERVICEMEN

I. Spouse and children of active servicemen (in United States)	40	2,096,951	$53,800,000	$53,200,000
II. Spouse and children of retired and deceased servicemen	50	498,724	11,600,000	11,400,000
III. Parents of active and retired servicemen	50	112,365	5,900,000	5,800,000
IV. Retired servicemen	50	190,545	8,500,000	8,400,000
Total program		2,898,585	79,800,000	78,800,000

The American Life Convention and the Life Insurance Association of America, who represent the bulk of the commercial underwriters in the field of health insurance, submitted the following estimates based upon reimbursement for—

1. Hospital charges for bed and board in semiprivate accommodations up to 365 days of confinement for each disability plus hospital charges for other necessary services and supplies during such confinement; the first $25 of hospital charges during each period of disability to be paid for by the patient.
2. Surgeon's fees for surgery performed either in or out of hospital.
3. Charges for in-hospital physicians' calls.
4. Charges either from physicians or hospitals for maternity costs including necessary prenatal and postnatal care.
5. Preoperative and postoperative charges incurred within 30 days of the date of any surgery. Such charges to include those made by a physician other than the surgeon performing the operation and costs of X-ray or laboratory procedures as well.

The plan would limit reimbursement for physicians' and surgeons' charges and for costs of X-ray, and laboratory procedures to those set out in the Veterans' Administration Catalog V.

WIVES AND CHILDREN

First-year costs are based on estimates that 40 percent of the wives and children of men in active service would be eligible for benefits. The numbers assumed to be eligible are approximately 838,000. Using this figure, the estimate of first-year costs are approximately $65 million.

DEPENDENT PARENTS AND PARENTS-IN-LAW

To partially implement section 202 and provide the same benefits available to dependent parents of men in active service. If this is done, the estimated first-year cost for this group is $10 million. This estimate is based on the assumption that 80 percent of the dependent parents of men in active service would be eligible for benefits. Thus the actual number involved would be approximately 86,000.

DEPENDENT WIDOWS AND CHILDREN OF DECEASED SERVICEMEN

To further implement section 202 so as to provide similar benefits to the dependent widows and children of deceased servicemen is estimated to cost $5,500,000. This estimate is based on the assumption that 80 percent of the widows and children of deceased servicemen would be eligible for benefits. The number assumed to be eligible is approximately 144,000.

In further implementation of section 202 to make the same benefis available to retired servicemen and their dependents would cost approximately $17 million. This estimate is based on the assumption that 50 percent of these men and their dependent wives and children would be eligible for benefits. The total number assumed to be eligible is approximately 257,000.

These cost figures do not include the dependents or retired members of the Coast Guard, Coast and Geodetic Survey, and the Public Health Service.

The additional cost to provide an insurance plan for this group is estimated to be less than 5 percent of the above totals.

Thus, on the basis of the estimates furnished by Blue Cross and Blue Shield, a rather comprehensive medical-surgical coverage for 40 percent of the wives and children of active-duty personnel and 100 percent similar coverage of all other dependents would involve an approximate cost of $105,700,000, plus an additional $5 million for the Coast Guard, the Coast and Geodetic Survey, and the Public Health Service.

However, assuming a 40-percent use of civilian facilities for wives and children and only a 50-percent use of civilian facilities by all other dependents and retired personnel, would involve a cost of $79, 800, 000 plus approximately $4 million for the dependents and retired personnel

of the Coast Guard, the Coast and Geodetic Survey, and the Public Health Service.

Using the percentage of coverage estimates submitted by the American Life Convention it is obvious that coverage to the extent estimated can be provided for wives and children of active-duty personnel, and for other dependents, on an indemnification basis, which would involve a total cost of $97,500,000, plus an additional cost of somewhat less than $5 million for the dependents and retired personnel of the Coast Guard, the Coast and Geodetic Survey, and the Public Health Service.

It should be noted that Blue Cross-Blue Shield estimates, as well as the estimates furnished by the American Life Convention are based upon the fee schedules contained in Veterans' Administration Catalog V.

The Blue Cross-Blue Shield program envisions a service program under which participating doctors would agree to furnish medical care without regard to the patient's income. The American Life Convention estimates are also based upon the fee schedules now contained in Veterans' Administration Catalog V, but would be paid on an indemnification basis rather than on a service basis.

The Blue Cross-Blue Shield representatives offered their services to the Secretary of Defense as a fiscal agent. Their proposal does not envision a standard Blue Cross-Blue Shield operation as it exists throughout the Nation today because Blue Cross-Blue Shield operates in different areas under different methods. In some areas service is provided subject to income limitations; in other areas the program operates on an indemnification basis.

Considering the amount of money that will be available in the fiscal 1957 budget for the proposed legislation, it can be seen that a rather complete medical-care program can be devised for the wives and children of active-duty personnel and similar benefits can be provided to certain retired personnel and other dependents, including dependent parents and parents-in-law, for a total estimated cost of less than $85 million annually. This cost can be lowered by reducing benefits or limiting the participants.

The Secretary of Defense is authorized to negotiate contracts for the type of insurance, medical service, or health plan that he deems appropriate to furnish the medical care authorized in the proposed legislation. Since this is a new program for which there is no precedent and therefore no experience tables, it would appear obvious that the Secretary of Defense would begin the program in a somewhat limited manner until a sufficient experience level had been obtained in order to ascertain the additional costs involved in enlarging the benefits or in providing greater coverage among the groups affected.

The proposed legislation is based on the assumption that benefits once provided cannot, for practical purposes, be eliminated without seriously affecting morale. On the other hand, it is always possible to provide additional benefits as experience is gained. Based upon this assumption, the proposed legislation makes it possible for the Secretary of Defense to enter into a health, medical service, or insurance plan which will provide a medical-care program which will cover the major medical expenses normally incurred by a serviceman who has a family. After the program has been in operation for a reasonable period of time it will be possible, without further legislative action, and depending upon the availability of funds, to provide

greater coverage since the proposed legislation establishes minimum requirements but does not contain any limitations upon other benefits that may be available.

Likewise, the proposed legislation is written in such a way as to make possible the extension of an insurance, medical service, or health plan or any combination thereof, to additional groups. Again, the experience gained from the first year's operation will determine the extent to which additional benefits and groups may be added.

It is the opinion of the Armed Services Committee that enactment of the proposed legislation will contribute greatly to the morale of the uniformed services and should have a most favorable effect upon increasing reenlistments and reducing resignations from the uniformed services.

In effect, the proposed legislation is the last of three major items of personnel legislation to be considered by the 84th Congress. The first, the Career Incentive Act, became effective in April of 1955; the second, the survivor benefits program, has passed the House, the third is the proposed legislation which will provide a uniform and improved program of medical care for dependents of members of the uniformed services.

The Committee on Armed Services by an overwhelming vote (35–1) strongly endorses the proposed legislation and again wishes to express its appreciation to the witnesses who offered many constructive suggestions for development of the legislation. Testimony was received from the American Medical Association, the American Dental Association, Retired Officers Association, Reserve Officers Association, Blue Cross-Blue Shield organizations, and the American Life Convention and the Life Insurance Association of America, the American Legion, the Fleet Reserve Association, the Jewish War Veterans, Group Health Insurance, Inc., National Medical Veterans Society, as well as witnesses from the Department of Defense, the Public Health Service, the Coast Guard, and the Coast and Geodetic Survey.

The principle of the proposed legislation is strongly endorsed by the President of the United States.

EXAMPLES OF BENEFITS THAT CAN BE PROVIDED UNDER AN INSURANCE OR MEDICAL SERVICE PLAN, WITHIN THE FUNDS TO BE AVAILABLE IN FISCAL 1957 FOR THE PROPOSED LEGISLATION

(Prepared and submitted to the Committee on Armed Services by the American Life Convention and the Life Insurance Association of America)

EXAMPLE 1

Diagnosis: Cancer of bladder (wife)—Operative

Services	Charges	Proposed benefits
Hospital:		
Room and board: Semiprivate room, 31 days, at $19	$589	$589
Miscellaneous hospital services:		
Operating room	50	50
Anesthesia	15	15
Diagnostic laboratory procedures	60	60
X-rays	95	95
Blood transfusions (3)	90	90
Drugs	75	75
Dressings	45	45
Special nursing	750	
Anesthesiologist (2 hours)	30	30
Surgeon	100	100
General practitioner:		
31 hospital visits, at $4	124	124
20 visits (office) within 30 days after hospitalization, at $3	60	60
10 visits (office) more than 30 days after hospitalization, at $3	30	
Drugs after hospital discharge	35	
Total	2,148	1,333
Deductible amount to be paid by patient		25
Proposed benefits		1,308

EXAMPLE 2

Diagnosis: Acute appendicitis (wife)—Operative

Services	Charges	Proposed benefits
Hospital:		
Room and board: Semiprivate room, 8 days, at $16	$128	$128
Miscellaneous hospital services:		
Operating room	25	25
Ambulance	20	20
Anesthesia by nurse	10	10
Drugs	30	30
Laboratory tests	45	45
Surgeon	100	100
General practitioner:		
1 night home visit within 30 days prior to confinement	7	7
8 hospital visits, at $4	32	32
5 day home visits within 30 days after confinement, at $4	20	20
Total	417	417
Deductible amount to be paid by patient		25
Proposed benefits		392

EXAMPLE 3

Diagnosis: Acute appendicitis with peritonitis (wife)— Operative

Services	Charges	Proposed benefits
Hospital:		
Room and board: Semiprivate room, 19 days, at $17	$323	$323
Miscellaneous hospital services:		
Ambulance	25	25
Operating room	45	45
Blood transfusion	25	25
Oxygen	110	110
Drugs	55	55
Dressings	35	35
X-rays	40	40
Anesthesiologist (2 hours)	30	30
Surgeon	100	100
General practitioner:		
1 night home visit prior to hospitalization	7	7
13 hospital visits, at $4	52	52
8 office visits within 30 days after hospitalization, at $3	24	24
Drugs after hospitalization	18	
Total	889	871
Deductible amount to be paid by patient		25
Proposed benefits		846

EXAMPLE 4

Diagnosis: Fractured hip (wife)—Operative

Services	Charges	Proposed benefits
Hospital:		
Room and board: Semiprivate room, 78 days, at $17	$1,326.00	$1,326.00
Miscellaneous hospital services:		
Ambulance	25.00	25.00
Operating room	75.00	75.00
Recovery room	15.00	15.00
Anesthesia	15.00	15.00
Laboratory	25.00	25.00
X-ray	150.00	150.00
Dressings	12.50	12.50
Drugs	178.50	178.50
Crutches	7.00	7.00
Surgeon	225.00	225.00
Anesthesiologist	45.00	45.00
General practitioner:		
Night home visit prior to hospitalization	7.00	7.00
25 hospital visits, at $4	100.00	100.00
10 home visits within 30 days after hospitalization, at $4	40.00	40.00
10 office visits within 30 days, at $3 (after hospitalization)	30.00	30.00
10 office visits after 30 days, at $3	30.00	
Appliance (brace)	45.00	
X-ray after discharge	25.00	25.00
Total	2,376.00	2,301.00
Deductible amount to be paid by patient		25.00
Proposed benefits		2,276.00

EXAMPLE 5

Diagnosis: Extensive second- and third-degree burns on 12-year-old child; multiple skin grafts required—Operative

Services	Charges	Proposed benefits
Hospital:		
Room and board: Ward, 120 days, at $10	$1,200	$1,200
Miscellaneous hospital services:		
Blood transfusions (6)	180	180
Dressings	105	105
Operating room (8 times)	200	200
Drugs and medicines	160	160
Laboratory tests	114	114
Anesthesia	60	60
Ambulance	20	20
Anesthesiologist (8 times)	160	160
Surgeon (plastic) (8 skin-graft operations)	[1] 600	[1] 600
Special nurses:		
24-hour duty for 3 days	108	
8-hour duty for 7 days	84	
General practitioner:		
4 night calls (1 home, 3 hospital), at $7	28	28
110 hospital visits, at $4	440	440
14 office visits (within 30 days after confinement), at $3	42	42
12 office visits (more than 30 days after confinement), at $3	36	
Drugs and medicines after hospital discharge	14	
Total	3,551	3,309
Deductible amount to be paid by patient		25
Proposed benefits		3,284

[1] Estimated.

EXAMPLE 6

Diagnosis: Brain tumor (wife)—Operative

Services	Charges	Proposed benefits
Hospital:		
Room and board:		
Private room, 5 days, at $22	$110	$90
Semiprivate room, 30 days, at $18	540	540
Miscellaneous hospital services:		
X-ray	110	110
Laboratory tests	190	190
Drugs and medicines	230	230
Dressings	67	67
Anesthesia	40	40
Electrocardiogram	15	15
Operating room	130	130
Recovery room	10	10
Radiologist (myleogram)	15	15
Anesthesiologist	60	60
Neurological examination in hospital (2 hours)	20	20
Surgeon	200	200
General practitioner:		
16 office visits within 30 days prior to hospitalization, at $3	48	48
32 hospital visits, at $4	128	128
Drugs and medicines after hospital discharge	38	
Total	1,951	1,893
Deductible amount to be paid by patient		25
Proposed benefits		1,868

EXAMPLE 7

Diagnosis: Pregnancy, cesarean section (wife)—Operative

Services	Charges	Proposed benefits
Hospital:		
Room and board:		
Semiprivate room, 10 days, at $15	$150	$150
Nursery care, 10 days, at $3	30	30
Miscellaneous hospital services:		
Operating room	40	40
Drugs	35	35
Dressings	20	20
Anesthesia by nurse	10	10
Laboratory tests	25	25
Obstetrician (cesarean)	150	150
X-ray within 30 days prior to hospitalization	20	20
Total	480	480
Deductible amount to be paid by patient		25
Proposed benefits		455

EXAMPLE 8

Diagnosis: Leukemia (child)—Nonoperative

Services	Charges	Proposed benefits
Hospital:		
Room and board:		
Private room, 2 days, at $20	$40	$32
Semiprivate room, 20 days, at $16	320	320
Miscellaneous hospital services:		
Laboratory tests	214	214
X-rays	60	60
Drugs and medicines	130	130
Blood transfusions (4)	120	120
Cot and meals for mother	10	10
Special nurses:		
10 days, 3 shifts	420	
10 days, 1 shift	140	
Specialists: 3 consultations in hospital (1 hour each)	45	45
General practitioner:		
10 office visits within 30 days prior to hospitalization, at $3	30	
22 hospital visits, at $4	88	88
Drugs obtained outside hospital	90	
Total	1,707	1,019
Deductible amount to be paid by patient		25
Proposed benefits		994

EXAMPLE 9

Diagnosis: Nephritis (inflammation of the kidney) (wife)—Nonoperative

Services	Charges	Proposed benefits
Hospital:		
Room and board: Semiprivate room, 30 days, at $14.50	$435.00	$435.00
Miscellaneous hospital services:		
Drugs	175.50	175.50
Laboratory	75.00	75.00
X-ray	60.00	60.00
Specialist while in hospital (with cystoscopy)	25.00	25.00
General practitioner:		
7 office visits prior to hospitalization, at $3	21.00	
1 home night visit prior to confinement	7.00	
30 hospital visits, at $4	120.00	120.00
5 home visits after confinement, at $4	20.00	
10 office visits after confinement, at $3	30.00	
X-ray prior to hospitalization	20.00	
Total	988.50	890.50
Deductible amount to be paid by patient		25.00
Proposed benefits		865.50

EXAMPLE 10

Diagnosis: Poliomyelitis (child) —Nonoperative

Services	Charges	Proposed benefits
Hospital:		
Room and board:		
Semiprivate room, 25 days, at $12	$300	$300
Ward, 98 days, at $9	882	882
Miscellaneous hospital services:		
Ambulance	25	25
Operating room	45	45
Drugs	75	75
Physiotherapy	150	150
Laboratory tests	60	60
Leg and back braces	175	175
General practitioner:		
5 home day visits prior to hospitalization, at $4	20	
90 hospital visits, at $4	360	360
25 home day visits after hospitalization, at $4	100	
Total	2,192	2,072
Deductible amount to be paid by patient		25
Proposed benefits		2,047

EXAMPLE 11

Diagnosis: Acute coronary thrombosis (wife)—Nonoperative

Services	Charges	Proposed benefits
Hospital:		
Room and board:		
Private room, 20 days, at $20	$400.00	$300.00
Semi private room, 50 days, at $15	750.00	750.00
Miscellaneous hospital services:		
Ambulance	15.00	15.00
Drugs	45.20	45.20
Laboratory	80.00	80.00
X-ray	20.00	20.00
Electrocardiogram	45.00	45.00
Oxygen	50.00	50.00
Special nurses	1,700.00	----------
Consulting cardiologist:		
Within 30 days prior to hospitalization	18.75	----------
While in hospital	18.75	18.75
Within 30 days after hospitalization	18.75	----------
Electrocardiogram: 6, all following discharge from hospital	60.00	----------
Drugs:		----------
Prior to hospitalization	35.00	----------
After hospitalization	45.00	----------
General practitioner:		
20 office visits within 30 days prior to hospitalization, at $3	60.00	----------
1 home night visit before hospitalization	7.00	----------
55 hospital visits, at $4	220.00	220.00
10 home visits within 30 days after hospitalization, at $4	40.00	----------
15 office visits beyond 30 days after hospitalization, at $3	45.00	----------
Total	3,673.35	1,543.95
Deductible amount to be paid by patient	----------	25.00
Proposed benefits	----------	1,518.95

EXAMPLES PREPARED AND SUBMITTED TO THE COMMITTEE ON ARMED SERVICES BY REPRESENTATIVES OF BLUE CROSS AND BLUE SHIELD

EXAMPLES OF BENEFITS CONTEMPLATED UNDER THE PROPOSED MEDICAL CARE PROGRAM FOR DEPENDENTS OF MEMBERS OF THE UNIFORMED SERVICES

The attached examples have been prepared to indicate the manner in which benefits for hospital and medical care might be applied for dependents of members of the uniformed services under the proposed medical care program. In preparing these examples, the following assumptions were made:

1. It was assumed that a patient who occupied a private room would have received benefits for room and board to the extent of the hospital's most prevalent charge for semiprivate accommodations.

2. In these examples the amounts shown for surgeons' charges and proposed benefits were computed on the basis of the fees listed in Guide for Charges for Medical Services, VA Catalog No. 5.

3. In nonsurgical cases it was assumed that the attending physician made one visit to the patient for each day of hospitalization. The amount shown for "Physician" in these cases was computed on the basis of $4 a visit.

Re 306639

EPISCOPAL HOSPITAL, NOV. 12–13, 1955

Diagnosis: Infected tonsils and adenoids—operative

Services	Charges	Proposed benefits
Ward, 1 day at $11	$11.00	$11.00
Operating room	25.00	25.00
Medications	3.50	3.50
Phone	.15	
Laboratory tests	19.00	19.00
Anesthesia	15.00	15.00
Surgeon	40.00	40.00
Total	113.65	113.50
Deductible amount to be paid by patient		25.00
Proposed benefits		88.50

Re 478145

GARFIELD MEMORIAL HOSPITAL, JUNE 3–JULY 6, 1955

Diagnosis: Ureteral and renal calculi, pyelonephritis right acute and chronic—operative

Services	Charges	Proposed benefits
Semiprivate room, 12 days, at $16	$192.00	$192.00
Semiprivate room, 21 days, at $15	315.00	315.00
Operating room	185.00	185.00
Recovery room	17.00	17.00
Medications	190.80	190.80
Dressings	51.25	51.25
Tubes and catheters	18.75	18.75
Telephone	7.45	
Laboratory tests	54.00	54.00
X-ray	95.00	95.00
Anesthesia	160.00	160.00
Surgeon	300.00	300.00
Total	1,586.25	1,578.80
Deductible amount to be paid by patient		25.00
Proposed benefits		1,553.80

Re 536772

PRINCE GEORGES GENERAL HOSPITAL, DEC. 4, 1953–MAR. 1, 1954

Diagnosis: Third and second degree burns of lower abdomen, both legs, right foot and ankle—multiple split thickness skin grafts and redressings

Services	Charges	Proposed benefits
Ward, 87 days, at $8	$696.00	$696.00
Operating room	220.00	220.00
Recovery room	3.00	3.00
Medications	223.55	223.55
Dressings	29.50	29.50
Laboratory tests	191.00	191.00
Anesthesia	115.00	115.00
Surgeon	[1] 300.00	[1] 300.00
Total	1,778.05	1,778.05
Deductible amount to be paid by patient		25.00
Proposed benefits		1,753.05

[1] Estimated.

EMERGENCY HOSPITAL, AUG. 23–DEC. 4, 1955

Diagnosis: Fractured hip—operative

Services	Charges	Proposed benefits
Semiprivate room, 50 days, at $14.50	$725.00	$725.00
Semiprivate room, 53 days, at $13.50	715.50	715.50
Operating room	50.00	50.00
Recovery room	10.25	10.25
Medications	180.65	180.65
Physiotherapy	3.00	3.00
Dressings	.85	.85
Telephone	1.05	
Crutches	6.25	
Ambulance	10.00	
Laboratory tests	20.00	20.00
Anesthesia	40.00	40.00
Surgeon	300.00	300.00
Total	2,002.55	2,045.25
Deductible amount to be paid by patient		25.00
Proposed benefits		2,020.25

Re 59722

GEORGETOWN UNIVERSITY HOSPITAL, AUG. 23–SEPT. 23, 1955

Diagnosis: Acute gangrenous appendicitis, operative

Services	Charges	Proposed benefits
Semiprivate room, 30 days, at $15.50	$465.00	$465.00
Ward, 1 day, at $14	14.00	14.00
Operating room	33.00	33.00
Medications	321.40	321.40
Oxygen	695.00	695.00
Dressings	286.90	286.90
Telephone	.45	
Electrocardiogram	15.00	15.00
Laboratory tests	183.00	183.00
X-ray	20.00	20.00
Anesthesia	20.00	20.00
Surgeon	100.00	100.00
Total	2,153.75	2,153.30
Deductible amount to be paid by patient		25.00
Proposed benefits		2,128.30

Re 632067

GEORGE WASHINGTON UNIVERSITY HOSPITAL, APR. 4–MAY 18, 1955

Diagnosis: Cholelithiasis—operative

Services	Charges	Proposed benefits
Semiprivate room, 44 days, at $15.50	$682.00	$682.00
Operating room	90.00	90.00
Recovery room	3.00	3.00
Medications	492.65	492.65
Oxygen	91.75	91.75
Dressings	202.45	202.45
Electrocardiogram	36.00	36.00
Laboratory tests	421.00	421.00
X-ray	235.00	235.00
Anesthesia	85.00	85.00
Surgeon	150.00	150.00
Total	2,488.35	2,488.85
Deductible amount to be paid by patient		25.00
Proposed benefits		2,463.85

Re 31610

GEORGE WASHINGTON UNIVERSITY HOSPITAL, JUNE 28–SEPT. 23, 1955

Diagnosis: Brain tumor–operative

Services	Charges	Proposed benefits
Private room, 3 days, at $23	$69.00	$46.50
Semiprivate room, 84 days, at $15.50	1,302.00	1,302.00
Operating room	100.00	100.00
Recovery room	10.00	10.00
Medications	384.05	384.05
Dressings	86.64	86.64
Laboratory tests	110.00	110.00
X-ray	140.00	140.00
Anesthesia	95.00	95.00
Electrocardiogram	12.00	12.00
Surgeon	300.00	300.00
Total	2,608.69	2,586.19
Deductible amount to be paid by patient		25.00
Proposed benefits		2,561.19

Re 342572

CHILDRENS HOSPITAL, OCT. 20, 1949–APR. 2, 1950

Diagnosis: Poliomyelitis

Services	Charges	Proposed benefits
Semiprivate room, 10 days, at $9.50	$95.00	$95.00
Semiprivate room, 20 days, at $10.50	210.00	210.00
Ward, 134 days, at $13.84	1,854.56	1,854.56
Operating room	20.00	20.00
Medications	20.55	20.55
Trays	14.50	14.50
Nurses board	56.20	
Laboratory tests	14.00	14.00
Physician	656.00	656.00
Total	2,940.81	2,884.61
Deductible amount to be paid by patient		25.00
Proposed benefits		2,859.61

Re 454073

SUBURBAN HOSPITAL, MARCH 12–APRIL 3, 1955

Diagnosis: Fracture of radius and ulna

Services	Charges	Proposed benefits
Semiprivate room, 22 days, at $12	$264.00	$264.00
Medications	68.48	68.48
Laboratory tests	8.00	8.00
X-ray	82.50	82.50
Surgeon	50.00	50.00
Total	472.98	472.98
Deductible amount to be paid by patient		25.00
Proposed benefits		447.98

Re 622457

CHILDREN'S HOSPITAL, FEB. 20–MAR. 6, 1955

Diagnosis: Leukemia

Services	Charges	Proposed benefits
Private room, 3 days, at $18.25	$54.75	$42.75
Semiprivate room, 11 days, at $14.25	156.75	156.75
Medications	52.85	52.85
Blood service charge	18.00	18.00
Tray	5.00	5.00
Charge for mother	12.00	
Laboratory tests	163.50	163.50
Physician	56.00	56.00
Total	518.85	494.85
Deductible amount to be paid by patient		25.00
Proposed benefits		469.85

Re 69391

GEORGETOWN UNIVERSITY HOSPITAL, AUG. 24–SEPT. 20, 1955

Diagnosis: Nephritis, nonoperative

Services	Charges	Proposed benefits
Semiprivate room, 27 days, at $15.50	$418.50	$418.50
Medications	139.40	139.40
Dressings	2.35	2.35
Telephone	.90	
Laboratory tests	55.00	55.00
X-ray	10.00	10.00
Physician	108.00	108.00
Total	734.15	733.25
Deductible amount to be paid by patient		25.00
Proposed benefits		708.25

Re 82771

SIBLEY MEMORIAL HOSPITAL, OCT. 2–NOV. 12, 1955

Diagnosis: Acute coronary thrombosis

Services	Charges	Proposed benefits
Semiprivate room, 41 days, at $14.50	$594.50	$594.50
Medications	30.80	30.80
Trays	5.00	5.00
Electrocardiogram	30.00	30.00
Laboratory tests	60.50	60.50
X-ray	8.00	8.00
Physician	164.00	164.00
Total	892.80	892.80
Deductible amount to be paid by patient		25.00
Proposed benefits		867.80

Re 396149

GARFIELD MEMORIAL HOSPITAL, SEPT. 23–OCT. 7, 1955

Diagnosis: Normal delivery with severe post partum hemorrhage (hysterectomy)

Services	Charges	Proposed benefits
Private room, 13 days, at $19	$247.00	$195.00
Semiprivate room, 1 day, at $15	15.00	15.00
Nursery care, 14 days, at $5	70.00	70.00
Delivery and operating room	55.75	55.75
Medications	99.79	99.79
Oxygen	5.00	5.00
Dressings	12.95	12.95
Tubes	2.54	2.54
Catheters	7.85	7.85
Telephone	7.30	
Blood therapy	42.50	42.50
Laboratory tests	75.75	75.75
Electrocardiogram	15.00	15.00
Anesthesia	35.00	35.00
Surgeon	175.00	175.00
Total	866.43	807.13
Deductible amount to be paid by patient		25.00
Proposed benefits		782.13

Re 601097

PROVIDENCE HOSPITAL, DEC. 15–31. 1955

Diagnosis: Term pregnancy –Caesarian delivery

Services	Charges	Proposed benefits
Semiprivate room, 16 days, at $13	$208.00	$208.00
Nursery care, 15 days, at $4	60.00	60.00
Operating room	35.00	35.00
Medications	48.95	48.95
Dressings	5.25	5.25
Trays	10.00	10.00
Electrocardiogram	15.00	15.00
Other laboratory tests	59.50	59.50
X-ray	30.00	30.00
Anesthesia	30.00	30.00
Surgeon	150.00	150.00
Total	651.70	651.70
Deductible amount to be paid by patient		25.00
Proposed benefits		626.70

SECTIONAL ANALYSIS

Section 1 provides for the short title.

TITLE I

Section 101 states that the purpose of the bill is to provide an improved and uniform program of medical care for dependents of members of the uniformed services and that the Congress believes it sound public policy to provide such care as it is an important factor in the creation and maintenance of high morale throughout the uniformed services.

Section 102 defines certain terms used in the bill.

Subsection (a) defines the term "uniformed services" as meaning the Army, the Navy, the Air Force, the Marine Corps, the Coast

Guard, the Coast and Geodetic Survey, and the Commissioned Corps of the Public Health Service.

Subsection (b) defines the term "member of a uniformed service" as meaning a person appointed, enlisted, inducted or called, ordered or conscripted in a uniformed service who has entered on active duty or active duty for training for a period in excess of 30 days.

Subsection (c) defines the term "retired member of a uniformed service" as meaning a member or former member of a uniformed service who is entitled to retired, retirement, or retainer pay, or equivalent pay as the result of service in a uniformed service, other than a member or former member entitled to retired or retirement pay under title III of the Army and Air Force Vitalization and Retirement Equalization Act of 1948.

Subsection (d) defines the term "dependent" as meaning, in the case of a male member or retired member of a uniformed service—

(1) his lawful wife;

(2) his unmarried legitimate children under 21 years of age or over 21 years of age if incapable of self-support because of being mentally or physically incapacitated and in fact dependent on the member for over half of their support, or if enrolled in a full-time course of study in an institution of higher learning approved by the Secretary of Defense. The term "children" in addition to the member's own or lawfully adopted children includes stepchildren;

(3) his parents and parents-in-law, if in fact dependent on him for over half of their support; and

(4) his unremarried widow, and his dependent children as defined in (2) above.

This subsection also provides a similar definition of "dependent" for a female member or retired member of a uniformed service, except that the lawful husband of the female member or retired member would be considered a dependent only if he was in fact dependent on her for over half of his support and the widower of such a member would be considered a dependent only if he was in fact dependent on the member or retired member for over half of his support at the time of her death.

Subsection (e) provides that the term "Secretary of Defense" is applicable to the Army, Navy, Air Force, Marine Corps, and the Coast Guard when operating as a service with the Navy.

Subsection (f) provides that the term "Secretary of Health, Education, and Welfare" is applicable to the Coast Guard when not serving with the Navy, the Coast and Geodetic Survey, and the Public Health Service.

Section 103 authorizes medical care of the dependents of members and of retired members of the uniformed services in facilities of the uniformed services.

Subsection (a) provides that whenever requested medical care shall be given dependents of members and retired members in medical facilities of the uniformed services, subject to the availability of space, facilities, and the capabilities of the medical staff, and that any determination made by the cognizant medical authority as to availability of space, facilities, and the capabilities of the staff shall be conclusive. Provision is further made that the medical care of such dependents shall in no way interfere with the primary mission of these facilities.

Subsection (b) provides that in order to utilize more effectively the medical facilities of the uniformed services the Secretary of Defense and the Secretary of Health, Education, and Welfare shall jointly prescribe regulations which would make available the medical facilities of any of the uniformed services to all dependents entitled to medical care under this section without regard to the service affiliation of the dependent's sponsor.

Subsection (c) provides that the Secretary of Defense, after consultation with the Secretary of Health, Education, and Welfare, shall establish uniform charges for subsistence given dependents in connection with medical care in the facilities of the uniformed services.

Subsection (d) provides that as a restraint on excessive demands by dependents for outpatient care in medical facilities of the uniformed services, uniform minimal charges may be imposed, limited, however, to such amounts if any as the Secretary of Defense, after consultation with the Secretary of Health, Education, and Welfare, determines are necessary.

Subsection (e) provides that any amounts that are received in payment for subsistence or medical care rendered dependents under this section shall be deposited to the credit of the appropriation supporting the maintenance and operation of the facilities furnishing the care.

Subsection (f) provides that medical care given dependents under this section in medical facilities of the uniformed services shall be limited to—

(1) diagnosis;
(2) treatment of acute medical and surgical conditions;
(3) treatment of contagious diseases;
(4) immunization; and
(5) maternity and infant care.

Subsection (g) provides that, except as the Secretary of Defense after consultation with the Secretary of Health, Education, and Welfare may by regulations provide, hospitalization of dependents in medical facilities of the uniformed services is not authorized for—

(1) domiciliary type care and chronic diseases;
(2) nervous and mental disorders (except for diagnostic purposes); and
(3) elective medical and surgical treatments as determined by the cognizant physician.

Subsection (h) provides that dependents receiving medical care in medical facilities of the uniformed services shall not be provided with—

(1) prosthetic devices, hearing aids, orthopedic footwear, and spectacles, except that outside the continental limits of the United States and at remote stations within the continental limits of the United States where adequate civilian facilities are not available, these items, if available from Government stocks, may be provided at prices representing full cost to the Government;
(2) ambulance service, except in acute emergency;
(3) home calls, except in special cases where it is determined by the cognizant physician to be medically necessary; or
(4) dental care except—
(*a*) emergency care to relieve pain and suffering and not to include any permanent restorative work or dental prosthesis;

(*b*) care as a necessary adjunct to medical or surgical treatment; and

(*c*) outside the continental limits of the United States and in remote areas within the continental limits of the United States where adequate civilian dental facilities are not available.

TITLE II

Section 201 provides a means by which the wives and children of all members of the uniformed services may be assured medical care.

Subsection (a) provides that the Secretary of Defense, after consultation with the Secretary of Health, Education, and Welfare, shall contract for medical care, which may include both outpatient care and hospitalization, of the wives and children of all members of the uniformed services under such insurance, medical-service, or health plan or plans as he deems appropriate, which plan or plans shall include, but not be restricted to, the following:

(1) Hospitalization in semiprivate accommodations up to 365 days for each admission, including all necessary services and supplies furnished by the hospital during inpatient confinement;

(2) Medical and surgical care incident to a period of hospitalization;

(3) Complete obstetrical and maternity service, including prenatal and postnatal care;

(4) Required services of a physician or surgeon before and after hospitalization for a bodily injury or for a surgical operation;

(5) Diagnostic tests and procedures, including laboratory and X-ray examinations, accomplished or recommended by a physician incident to hospitalization; and

(6) Payment by the patient of the first $25 of hospital expenses incurred under (1) above for each admission.

Subsection (b) provides that subsection (a) of section 201 shall be subject to such reasonable limitations, additions, exclusions, definitions, and related provisions as may be provided in the insurance, medical-service, or health plan or plans approved by the Secretary of Defense after consultation with the Secretary of Health, Education, and Welfare. This section is designed, subject to the specific mandatory features of medical care which must be provided to grant authority to the Secretary of Defense to limit or expand the scope of such medical care as deemed necessary within reasonable limitations.

Subsection (c) provides that the wives and children of members of the uniformed services covered by section 201 may elect to receive medical care in either the facilities of a uniformed service, under the conditions set forth in title I of the bill, or in civilian facilities under such insurance, medical service, or health plan or plans as are provided under title II. Provision is made, however, that such election may be limited, under regulations prescribed by the Secretary of Defense, after consultation with the Secretary of Health, Education, and Welfare, for such dependents who reside in areas where the service member is assigned and where adequate medical facilities of a uniformed service are available for the care of such dependents.

Section 202 provides that the Secretary of Defense, after consultation with the Secretary of Health, Education, and Welfare, may, as he deems appropriate, contract for an insurance, medical service, or

health plan or plans which will provide medical care for retired members of a uniformed service and their dependents, the unremarried widows and children of deceased members or retired members, and those dependents of active members other than wives and children. Provision is also made that the extent of the medical care to be so provided for the retired members or the dependents and those to be included under the plan or plans shall be as prescribed by regulations of the Secretary of Defense, as approved by the President. These regulations shall also prescribe the payments to be made by the dependent or retired members, which payments shall not be less than the payment required of dependents under section 201.

Section 203 provides that for dependents of members of the uniformed services located outside the continental limits of the United States where medical facilities of the uniformed services are not available, the Secretary of Defense or the Secretary of Health, Education, and Welfare, as appropriate, may contract for their medical care with acceptable local medical sources, or the Secretary of Defense, after consultation with the Secretary of Health, Education, and Welfare, may contract for their medical care under such insurance, medical-service, or health plan or plans as he deems appropriate.

Section 204 provides that any insurance, medical-service, or health plan or plans entered into by the Secretary of Defense for medical care under the provisions of the bill shall contain a provision for a review, and, if necessary, an adjustment of charges, not later than 120 days after the first year the plan or plans have been in effect and each year thereafter.

Section 205 authorizes the Secretary of Defense to establish insurance, medical-service, and health plan advisory committees to advise, consult and make recommendations to him regarding the contracts which the Secretary of Defense is authorized, under title II of the bill, to make for the medical care of dependents and of retired members. Provision is made that the Secretary of Defense shall issue regulations setting forth the scope, procedures, and activities of these committees; that the committees shall consist of the Secretary of Defense or his designee, who shall be chairman, and of such other persons as the Secretary may appoint; and that to the extent possible the members of the committees shall be representative of insurance, medical-service, and health plan or plans. The members would serve without compensation but would be allowed transportation and per diem in lieu of subsistence and other expenses.

TITLE III

Section 301 provides that under regulations prescribed jointly by the Secretary of Defense and the Secretary of Health, Education, and Welfare—

(1) members of the uniformed services on active duty or active duty for training shall be furnished medical and dental care in any medical facility of the uniformed services; and

(2) retired members of a uniformed service may be furnished required medical and dental care in any medical facility of a uniformed service, if requested, subject to the availability of space and facilities, except that a retired member who has completed not less than 30 years of active service shall, upon request,

be furnished required medical and dental care subject only to availability of space and facilities.

This section further provides that when a member or retired member of a uniformed service receives medical or dental care in a facility of another uniformed service, the appropriation supporting the maintenance and operation of the medical facility furnishing the medical or dental care shall be reimbursed at rates to be established by the Secretary of Defense after consultation with the Secretary of Health, Education, and Welfare.

Section 302 provides that retired enlisted men of the Army and Air Force when hospitalized in a Federal hospital shall receive the ration allowance prescribed by law for enlisted men of the Regular Army and Air Force when so hospitalized. This provision is similar to that contained in section 207 of the act of June 25, 1938 (52 Stat. 1180, 34 U. S. C. 854f) for retired enlisted men of the naval service.

Section 303 provides that where a retired member or a dependent, who is covered under an insurance, medical service, or health plan or plans under the bill requires hospitalization beyond the period of time provided under the plan or plans, the retired member or dependent may be transferred to a medical facility of a uniformed service for the continuation of the necessary hospitalization. Where movement to a medical facility of a uniformed service is not feasible, provision is made for the payment of the cost of the additional hospitalization in a civilian facility under such regulations as the Secretary of Defense, after consultation with the Secretary of Health, Education, and Welfare, may prescribe.

Section 304 authorizes the appropriation of such sums as may be necessary to carry out the provisions of the bill.

Section 305 (a) would repeal the following laws and parts of laws:

(1) That part of the act of July 5, 1884 (23 Stat. 107) which provides that the medical officers of the Army and contract surgeons shall whenever practicable attend the families of the officers and soldiers free of charge;

(2) That part of the act of May 10, 1943 (57 Stat. 80), which authorizes medical care for dependents of members of the Navy and Marine Corps and which authorizes the same care for dependents of personnel of the Coast Guard when the Coast Guard is operating with the Navy;

(3) That part of section 326 (b) of the Public Health Service Act (58 Stat. 697) which authorizes medical treatment in facilities of the Public Health Service for the dependents of personnel of the Coast Guard, of commissioned officers of the Coast and Geodetic Survey, and of commissioned officers of the Public Health Service;

(4) Section 710 (a) of the Public Health Service Act (58 Stat. 714) which authorizes medical care in Public Health Service facilities for members of the Women's Reserve of the Coast Guard and their dependents; and

(5) That part of Public Law 108, approved June 20, 1949, which authorizes hospital benefits for dependents of members of the Reserve components of the Armed Forces.

Section 305 (b) provides that all laws and parts of laws to the extent that they are inconsistent with the provisions of the bill are repealed.

Section 306 provides that the bill shall become effective 120 days from the date of its approval.

CHANGES IN EXISTING LAW

In compliance with paragraph 3 of Rule XIII of the Rules of the House of Representatives there is printed below in parallel columns the text of provisions of existing laws which would be repealed or amended by the various provisions of the bill.

EXISTING LAW	THE BILL
Act of July 5, 1884 (ch. 217, 23 Stat. 107) MEDICAL DEPARTMENT.— * * *. *Provided*, That the medical officers of the Army and contract surgeons shall whenever practicable attend the families of the officers and soldiers free of charge.	SEC. 305. (a) The following laws and parts of laws are hereby repealed: (1) So much of the Act of July 5, 1884 (ch. 217, 23 Stat. 107), as is contained in the proviso under the heading "
Act of May 10, 1943 (ch. 95, 57 Stat. 80) SEC. 1. For the purpose of expanding facilities for the hospitalization of dependents of personnel of the Navy and Marine Corps, and others as herein provided, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $2,000,000. SEC. 2. The hospitalization of dependents of naval and Marine Corps personnel at any naval hospital shall be at such per diem or other rate as may be prescribed from time to time by the President, and all sums received in payment of such hospital charges shall be deposited to the credit of the appropriation or fund for the maintenance and operation of naval hospitals. SEC. 3. The term "dependents" shall include a lawful wife, unmarried dependent child (or children) under twenty-one years of age, and the mother and father of a member of the Navy or Marine Corps if in fact such mother or father is dependent on such member. The term "child (or children)" shall include a natural or adopted child or stepchild. The widows of deceased naval and Marine Corps personnel shall be entitled to hospital care in like manner as dependents. * * * * SEC. 5. Hospitalization of the dependents of naval and Marine Corps personnel and of the persons outside the naval service mentioned in section 4 of this Act shall be furnished only for acute medical and surgical conditions, exclusive of nervous, mental, or contagious diseases or those requiring domiciliary care. Dental treatment shall be ad-	(2) The Act of May 10, 1943 (ch. 95, 57 Stat. 80), except section 4 of such Act and except that part of section 5 which relates to persons outside the naval service mentioned in section 4 of such Act.

EXISTING LAW	THE BILL
ministered only as an adjunct to in-patient hospital care and shall not include dental prosthesis or orthodontia. SEC. 6. During such periods as the Coast Guard may operate as a part of the Navy, the provisions of this Act shall apply to dependents of personnel of the Coast Guard in like manner and to the same extent as to dependents of personnel of the Navy and Marine Corps.	
Public Health Service Act (ch. 373, 58 Stat. 682) * * * * * SERVICES TO COAST GUARD, COAST AND GEODETIC SURVEY, AND PUBLIC HEALTH SERVICE * * * * * SEC. 326 (b) Subject to regulations of the President, the dependent members of families (as defined in such regulations) of persons specified in subsection (a), other than temporary members of the United States Coast Guard Reserve, shall be furnished medical advice and out-patient treatment by the Service at its hospitals and relief stations, and they shall also be furnished hospitalization at hospitals of the Service, if suitable accommodations are available, at a per diem cost to the officer, enlisted person, or member of a crew concerned. Such cost shall be at such uniform rate as may be prescribed from time to time by the President for the hospitalization of dependents of naval and Marine Corps personnel at any naval hospital, pursuant to section 2 of the Act of May 10, 1943 (57 Stat. 80).	(3) Section 326 (b) of the Public Health Act, except as it relates to dependent members of families of ships' officers and members of crews of vessels of the Coast and Geodetic Survey.
Act of July 1, 1944 (ch. 373, 58 Stat. 682) as amended by the Act of August 13, 1946 (ch. 958, 60 Stat. 1040) SEC. 710 (a). Subject to regulations of the President, members of the Women's Reserve of the Coast Guard, or their dependents, shall be entitled to the benefits provided by section 326 for male officers and enlisted men of the Coast Guard or their dependents: *Provided*, That the husbands of such members shall not be considered dependents, and the children of such members shall not be considered dependents unless their father is dead or they are in fact dependent on their mother for their chief support.	(4) Section 710 (a) of the Act of July 1, 1944 (ch. 373, 58 Stat. 714), as amended.

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